

BACKGROUND:

- HSB POA 122-mile road network continues to deteriorate
- Declarant transferred ownership of roads to POA in 1991
- Some roads over 30 years old
- Current Maintenance Fee collections are insufficient to keep up with road maintenance needs, much less renewal
- Those who responded to the recent survey did not support a special assessment.
- The POA has worked with the City, Declarant and Resort to transfer ownership to the City along with defined road maintenance revenues

PROPOSAL

Horseshoe Bay Property Owners' Association, Inc. (HSB POA) will transfer to the City

- All roads owned by the HSB POA;
- All parkways designated as such on existing roads, the intent being only to convey those small areas designated as "parkways" associated with the roads;

and also will

- Agree to pay to the City 39.5% of the funds assessed, distributed, and collected by the HSB POA as its share of Maintenance Funds after the effective date of the transfer.

In return for the transfer and the payment, the City will agree to assume full responsibilities within the HSB POA boundaries for the maintenance, repair, restoration, renewal or improvement of certain obligations currently performed by the HSB POA relating to

- The roads and parkways transferred
- Drainage work
- Weed and brush control, except weed and brush control on parks and/or land retained by the HSB POA
- Signage
- Litter control
- Deer management
- Lot mowing

The 39.5% of the funds to be transferred are equal to the five-year average expenses for the following compared to the five-year average receipt of Maintenance Funds:

	Five-Year Average Expenses	
Road maintenance	\$ 225000	
Drainage	1000	
Weeds & Brush	72000	
Signs	30000	
Litter Control	30000	
Less: Common Area	-20000	
Deer Management	12000	
Lot mowing, net	13000	
	\$ 363000	39.5%

MAINTENANCE FEES = \$ 919000